DEPARTMENT OF THE ARMY
NASHVILLE DISTRICT, CORPS OF ENGINEERS
110 9TH AVENUE SOUTH, ROOM A-405
NASHVILLE TN 37203

JAN 27 2017

TO ALL INTERESTED PARTIES:

The U.S. Army Corps of Engineers, Nashville District, is initiating scoping under the National Environmental Policy Act (NEPA) to evaluate the impacts of proposed reallocation of storage for water supply in Lake Cumberland (Wolf Creek Dam), Kentucky (Figure 1). This study is being conducted under the authority of the Rivers and Harbors Act of 1958, Title III and the Water Supply Act of 1958, as amended (PL 85-500), which authorize the Corps to include municipal and industrial water supply withdrawals in reservoir projects as well as to reallocate water in existing reservoirs from other authorized project purposes (such as hydropower, flood control, water quality, fish and wildlife, and recreation) to municipal and industrial water supply uses.

The Act requires Municipal and Industrial water supply users to enter into Water Supply Storage Agreements to annually pay the water supply operation and maintenance cost plus interest. This impacts the current Lake Cumberland water supply users, to include the City of Albany, KY; City of Burnside, KY; City of Jamestown, KY; City of Monticello, KY; City of Somerset, KY; McCreary County Water District, KY; Woodson Bend Resort, KY; General Burnside Island State Park, KY; Kingsford Manufacturing Company; Eastern Kentucky Power Cooperative (EKPC); and United States Fish & Wildlife Service.

While the majority of Corps reservoirs across the nation are in compliance with the Act, municipal and industrial water supply users at Lake Cumberland remain the only users in the entire Cumberland River Basin without the required water storage agreements covering their use of reservoir storage. This water supply storage reallocation study and integrated environmental assessment (EA) will rectify this by bringing the existing water supply users at Lake Cumberland into compliance with the Act. These studies will evaluate impacts to the congressionally authorized project purposes for the project, including hydropower, flood control, water quality, fish and wildlife, and recreation. If impacts are determined to seriously affect these authorized purposes or involve major structural or operational changes, then Congressional approval of the proposed reallocation of storage would be required.

The total storage volume of Lake Cumberland is 6,935,000 acre-feet, which is defined as the amount of water covering 1 acre to a depth of 1 foot. It equals 326,000 gallons. Out of that storage, 2,142,000 acre feet of water is reserved for the Conservation Pool. The Conservation Pool is the storage reserved for the generation of hydropower and is the normal operating zone of the reservoir. In accordance with the

NEPA, and associated implementing regulations, the EA would evaluate a range of alternatives for allocating water storage for the purpose of water supply from the Conservation Pool.

Alternative 1, the No Action alternative, as defined by NEPA, is the continuation of current but unauthorized withdrawals at Lake Cumberland without the reallocation of storage under the Water Supply Act of 1958 and water storage agreements. It represents no change from current water management operations at Lake Cumberland. These withdrawals require a storage volume of approximately 166,400 acre-feet. The Council on Environmental Quality (CEQ) regulations for implementing NEPA require detailed analysis of the No Action alternative, which serves as a benchmark for comparing the environmental effects of all reasonable action alternatives.

The first action alternative, Alternative 2, also represents the continuation of current withdrawal amounts from Lake Cumberland to meet the existing water supply demand, requiring approximately 166,400 acre-feet of storage volume. However, in contrast to Alternative 1, Alternative 2 and the following action alternatives involve the permanent reallocation of storage from the conservation pool for municipal and industrial water supply use under the authority of the Water Supply Act of 1958.

The next action alternative, Alternative 3, is defined as reallocation from the conservation pool to meet the future water supply demand in 2035, which would require a storage volume of approximately 172,500 acre-feet.

Due to the potential of future requests for water supply storage by users at Old Hickory Dam and Reservoir, Alternative 4 considers the reallocation from the conservation pool to meet the estimated 2035 water supply demand at Lake Cumberland plus the estimated 2035 water supply demand at Old Hickory Dam and Reservoir, which would require a storage volume of approximately 188,000 acre-feet.

In accordance with the Water Supply Act of 1958, each of the reallocation action alternatives (Alternatives 2–4) would require water supply users at Lake Cumberland to execute a Water Supply Storage Agreement that grants users the permanent right to use the amount of storage reallocated to the water supply purpose. Opportunity for reduced pricing for low income communities would be sought where appropriate.

By way of this letter, the Corps of Engineers is soliciting public and agency comments concerning environmental issues that should be addressed in the course of the NEPA process. We encourage comments not only about the immediate project area, but also of plans and proposals for any other development that may impact or influence the project or surrounding watershed. This EA would provide the basis for a decision on whether to proceed with an Environmental Impact Statement or a Finding of No Significant Impact.

Additionally, Section 106 of the National Historic Preservation Act, implemented by regulations at 36 Code of Federal Regulations 800, requires the Corps to consider the effects of its undertakings on historic properties. The preliminary analysis of the alternatives listed above indicates that under extreme circumstances the lake levels would not deviate from normal operations to a degree that would affect historic properties, particularly archaeological sites. Therefore, the Corps defines implementation of any alternative as an undertaking with no potential to cause effects on historic properties.

Please provide any comments concerning issues **no later than 30 days from the date of this letter** to ensure evaluation and inclusion in the EA. Comments should be mailed to the address listed above, or e-mailed to CorpsLRNPlanningPublicCom@usace.army.mil, and addressed to Mr. Chip Hall. Your participation is greatly appreciated.

Sincerely,

Stephen F. Murphy
Lieutenant Colonel, U.S. Army
District Commander

Enclosure

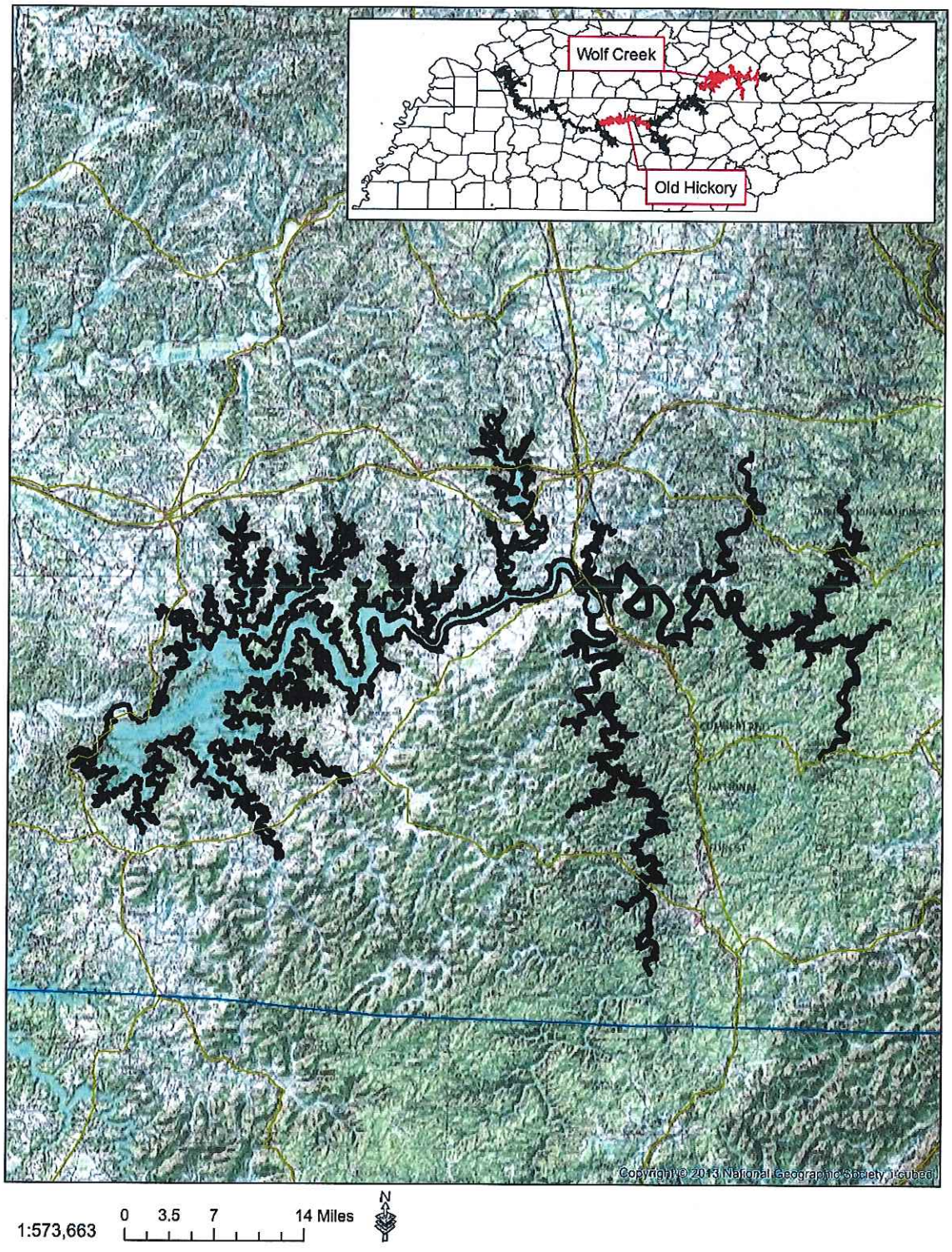

Figure 1 – Lake Cumberland / Wolf Creek Dam